



December 1, 2017

Ex Parte

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

**Re: Competitive Bidding Procedures and Certain Program Requirements for the
Connect America Fund Phase II Auction (Auction 903), AU Docket 17-182, WC Docket 10-
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Dear Ms. Dortch:

On Wednesday, November 29, 2017, Mary Henze, Mike Lieberman and Anisa Latif (AT&T), Malena Barzilai (Windstream), Jeff Lanning and Richard Rousselot (CenturyLink), Alan Buzacott (Verizon), AJ Burton (Frontier), Mike Skrivan and Anne Morrison (Consolidated) met by phone with members of the Rural Auction Task Force including Chelsea Fallon, Margaret Wiener, Thom Parisi and Martha Stancill. Our discussion focused on the advantages of allowing package bidding. In particular, package bidding allows potential bidders to plan a most efficient network build across census block groups (and particular locations with the groups) qualifying for the auction. Our analysis of census block group mapping suggests that packages including up to twenty-five CBGs is likely to provide sufficient opportunity to reap network build and operating efficiencies to yield bids advantageous to the Commission's goal of obtaining competitive prices and broad coverage. Reducing the scope of permissible package bidding from state-wide to sets of CBGs of no more than twenty-five would require an all-or-nothing option (essentially setting the Minimum Scale Percentage to 100%) on the part of the bidder given the network efficiencies that would necessarily be incorporated into these targeted packages.

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We also discussed our view that the ability to change performance tiers between rounds appeared to contribute more to views that the auction is unnecessarily complex than to the needs of existing broadband providers.

Respectfully submitted,



Jonathan Banks
Senior Vice President
Law & Policy

cc: Chelsea Fallon
Margaret Weiner
Thom Parisi
Martha Stancill